Islamic Finance Development Report 2026

Growth Amid Headwinds

Mustafa Adil, Head of Islamic Finance

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LSEG DATA & ANALYTICS

Islamic Corporation for the Development of the Private Sector

IFDI Background

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Introduction to IFDI

The IFDI provides a vital tool in guiding policy within the industry by measuring changes in the indicator and its underlying components over time and across **140** different countries.

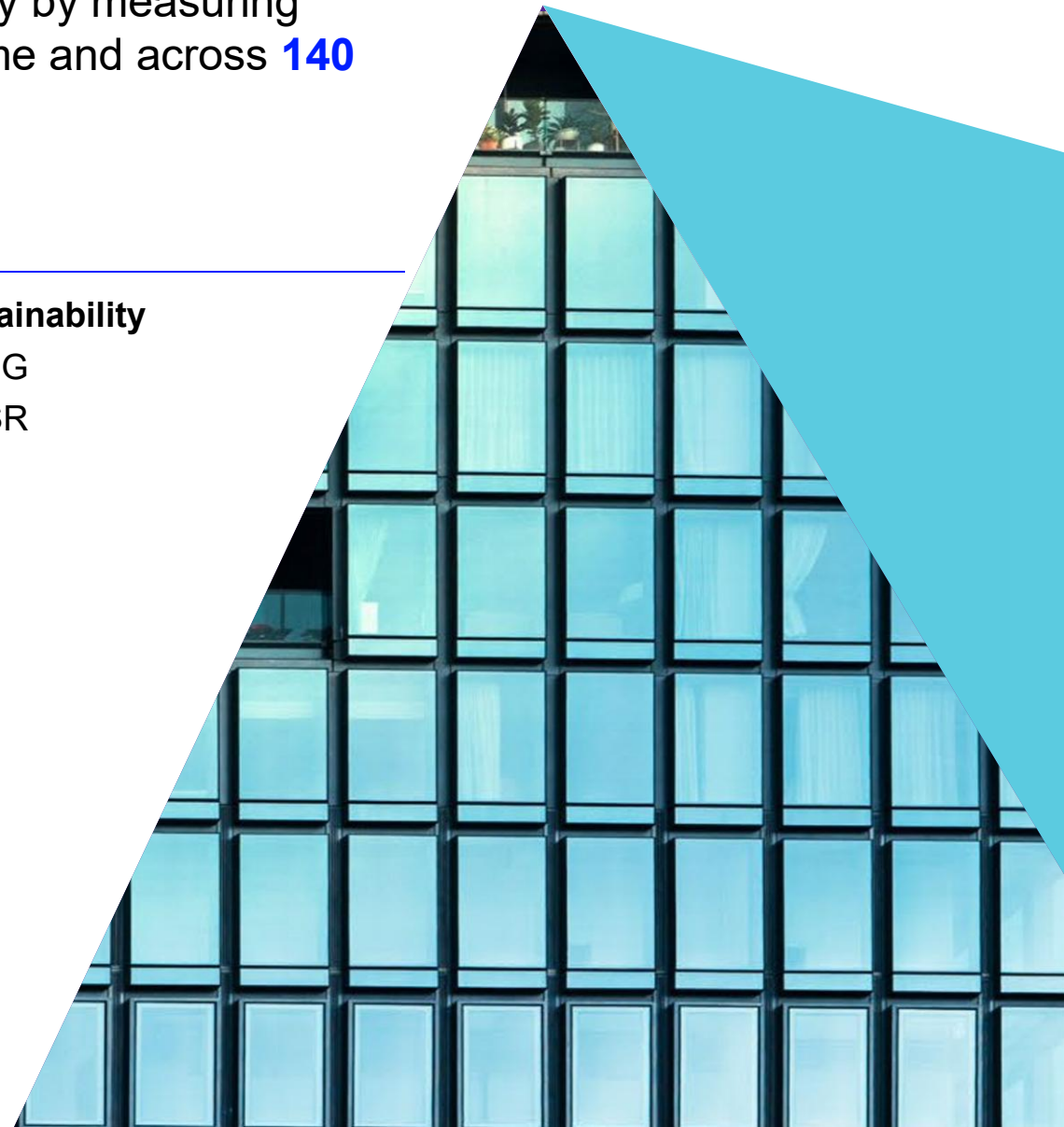
Financial Performance
- Islamic banking
- Takaful
- Other Islamic financial institutions
- Sukuk
- Islamic funds

Governance
- Regulation
- Other governance

Sustainability
- ESG
- CSR

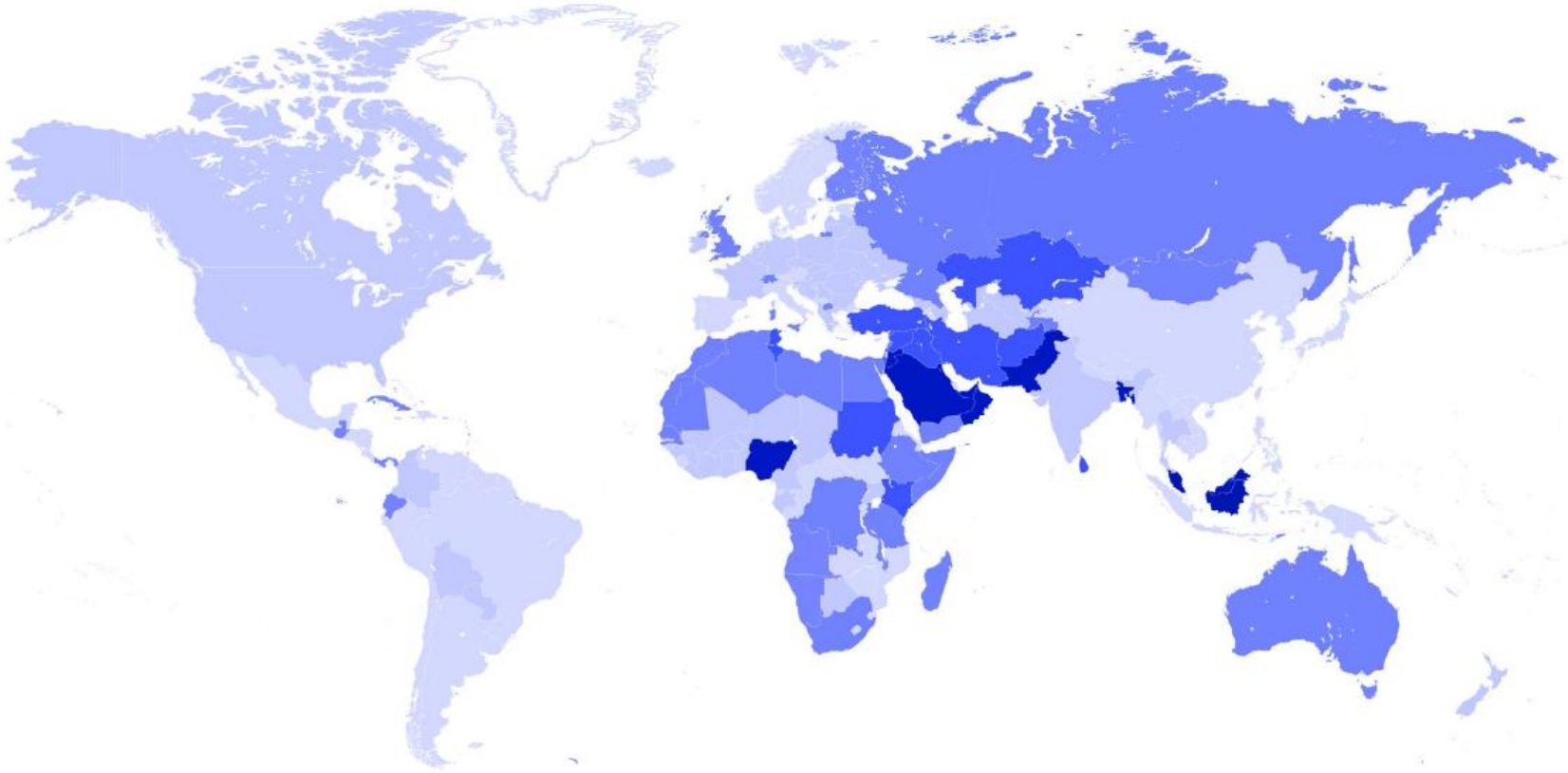
Knowledge
- Research
- Education

Awareness
- Events
- News



Most Developed Countries According to IFDI 2026

Malaysia, **Saudi Arabia** and the **UAE** top IFDI 2026 rankings



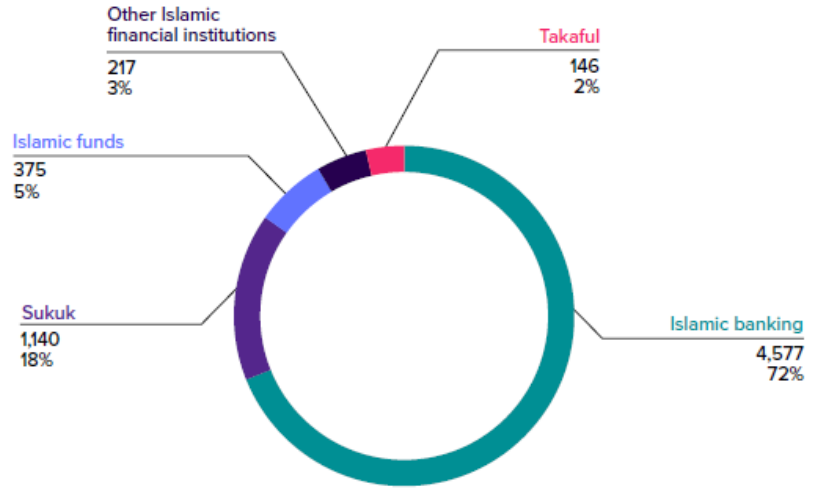
Leading 10 countries in Islamic finance development

1	2	3	4	5	6	7	8	9	10
Malaysia	Saudi Arabia	UAE	Indonesia	Pakistan	Bahrain	Kuwait	Iran	Türkiye	Qatar

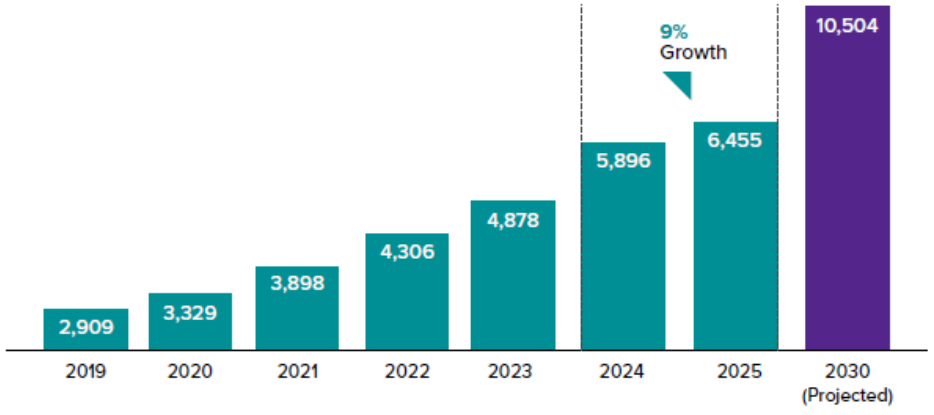
Global overview of Islamic finance industry in 2025

Total Islamic finance assets in 2025	Total number of Islamic financial institutions in 2025	Y-o-Y growth in Islamic finance assets in 2025
US$ 6.5tn	2,355	9%

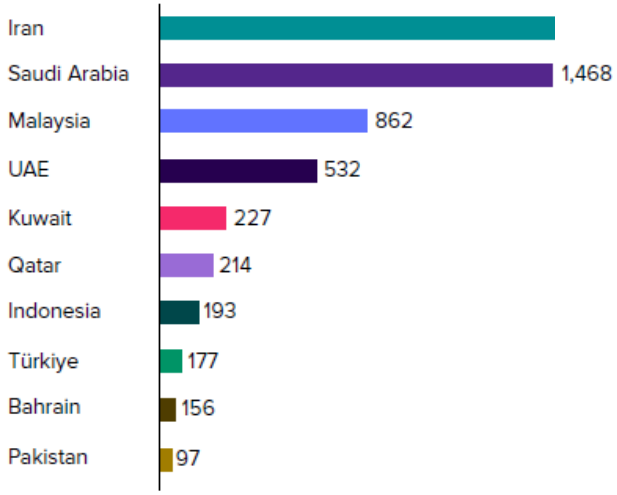
Islamic finance assets by sector
(US$ billion, 2025)



Islamic finance assets growth
(US$ billion, 2019-2025)



Top countries in Islamic finance assets
(US$ billion, 2025)



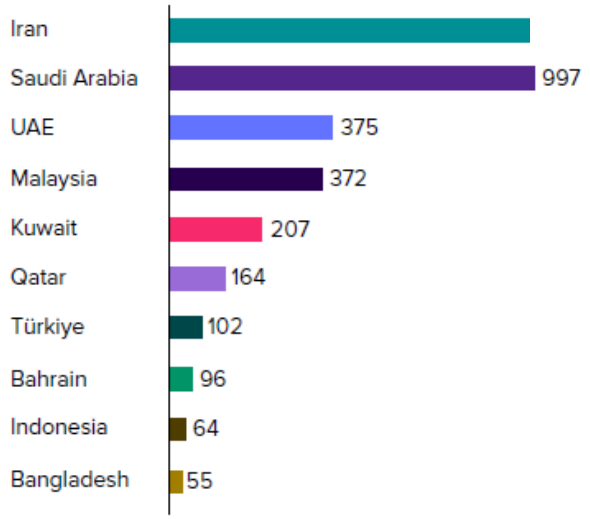
Financial Performance

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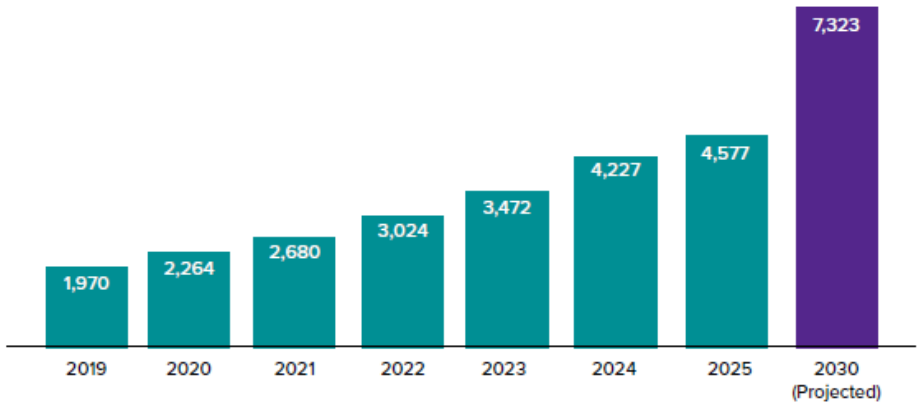
Islamic banking

Total Islamic banking assets in 2025	Total number of Islamic banks in 2025	Y-o-Y growth in Islamic banking assets in 2025
US$ 4.58tn	690	8%

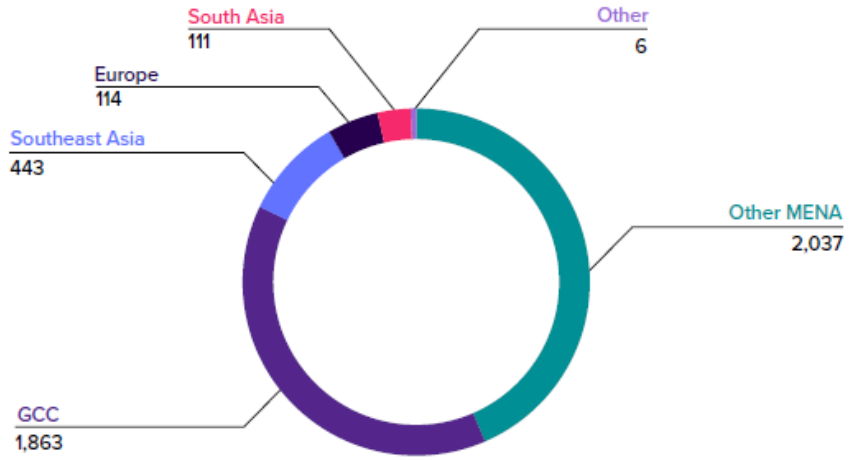
Top countries by Islamic banking assets
(US$ billion, 2025)



Islamic banking assets growth
(US$ billion, 2019-2025)



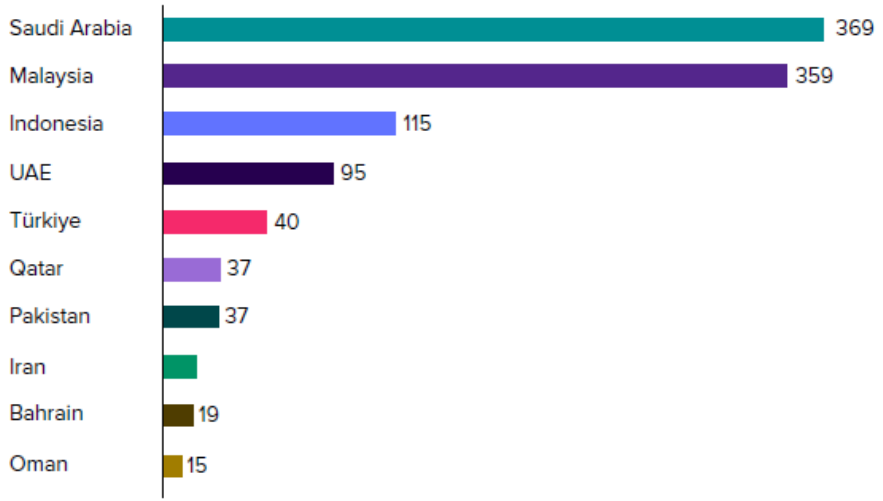
Islamic banking assets by region
(US$ billion, 2025)



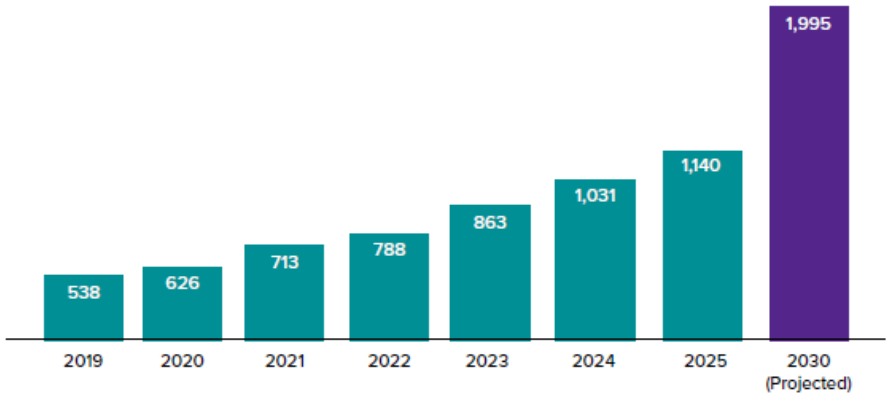
Sukuk

Total sukuk value outstanding in 2025	Total number of sukuk outstanding in 2025	Y-o-Y growth in sukuk value outstanding in 2025
US$ 1.1tn	5,486	11%

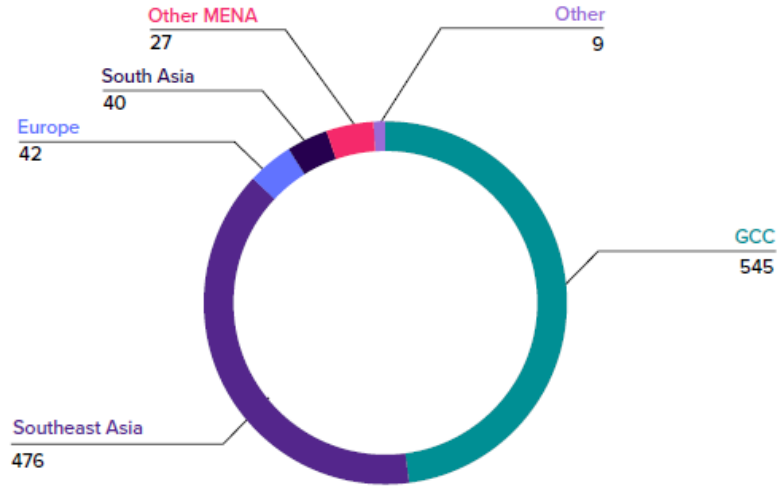
Top countries by sukuk value outstanding
(US$ billion, 2025)



Sukuk value outstanding growth
(US$ billion, 2019-2025)



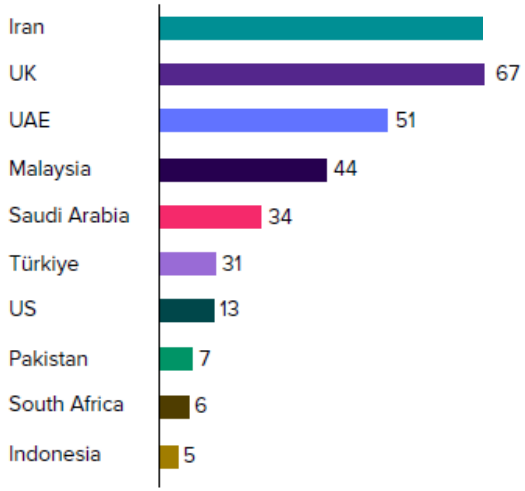
Sukuk value outstanding by region
(US$ billion, 2025)



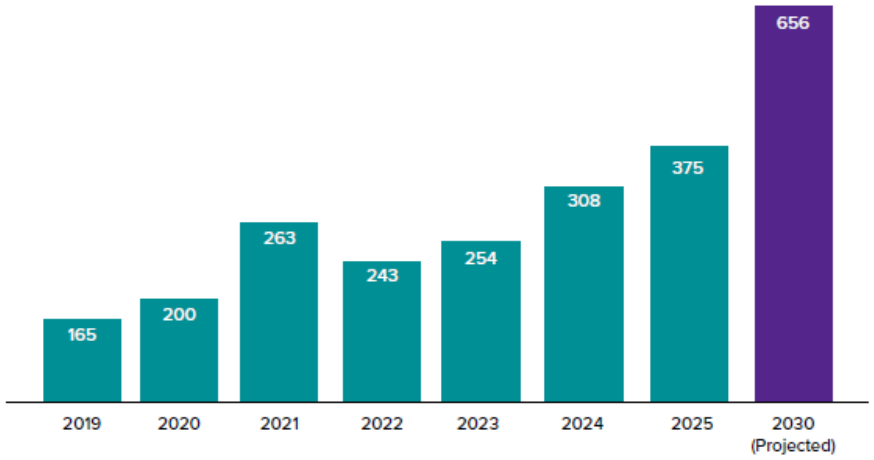
Islamic funds

Total Islamic funds AuM in 2025	Total number of Islamic funds in 2025	Y-o-Y growth in Islamic funds AuM in 2025
US$ 375bn	2,696	22%

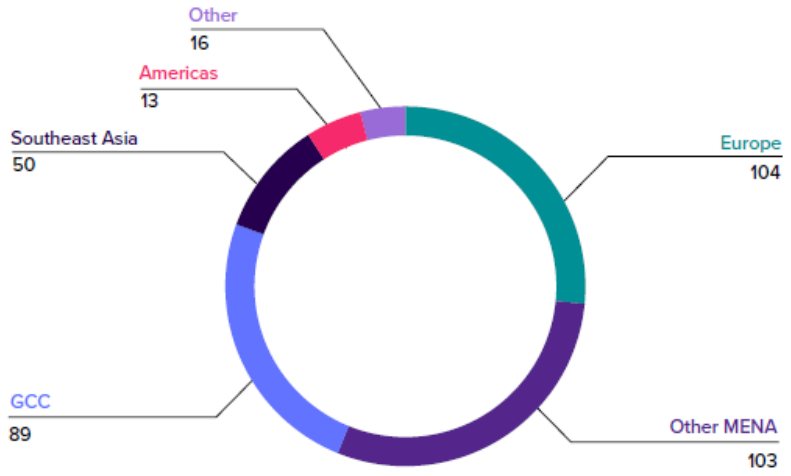
Top countries by Islamic funds AuM
(US$ billion, 2025)



Islamic funds AuM growth
(US$ billion, 2019-2025)



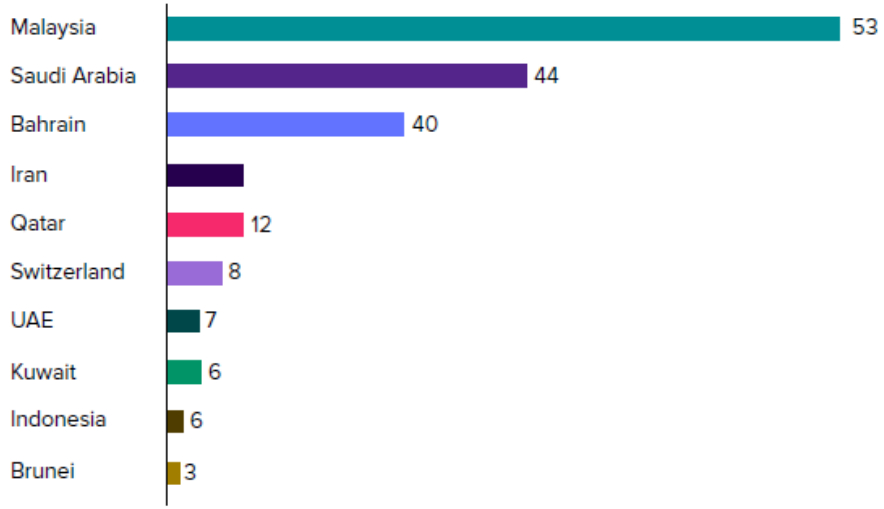
Islamic funds AuM outstanding by region
(US$ billion, 2025)



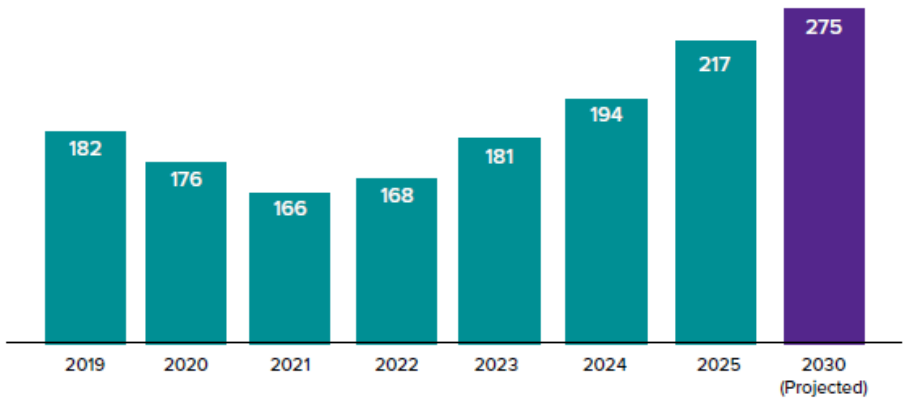
Other Islamic financial institutions (OIFIs)

Total OIFI assets in 2025	Total number of OIFIs in 2025	Y-o-Y growth in OIFI assets in 2025
US$ 217bn	1,264	12%

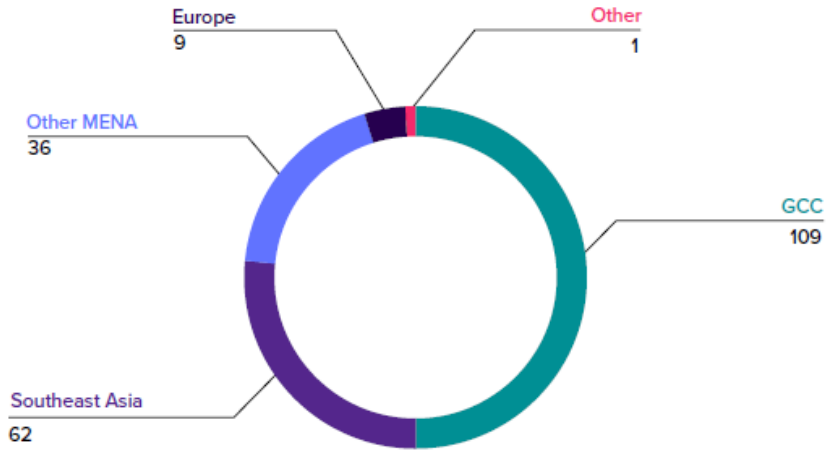
Top countries by OIFI assets
(US$ billion, 2025)



OIFI assets growth
(US$ billion, 2019-2025)



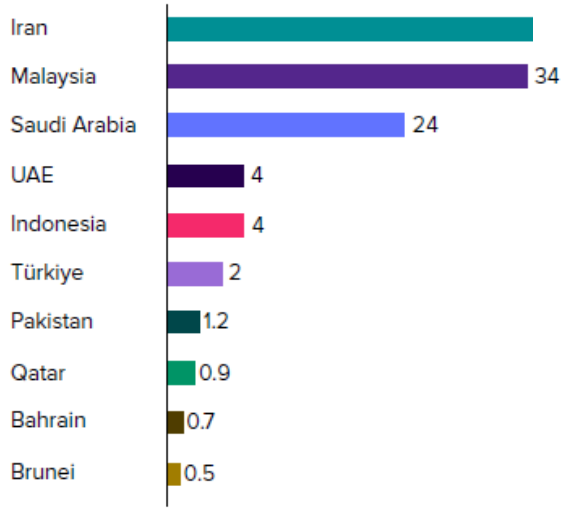
OIFI assets by region
(US$ billion, 2025)



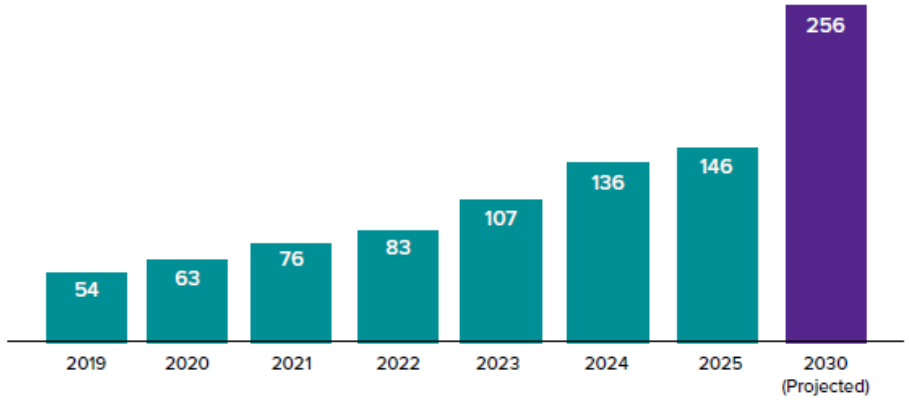
Takaful

Total takaful assets in 2025	Total number of takaful operators in 2025	Y-o-Y growth in takaful assets in 2025
US$ 146bn	401	9%

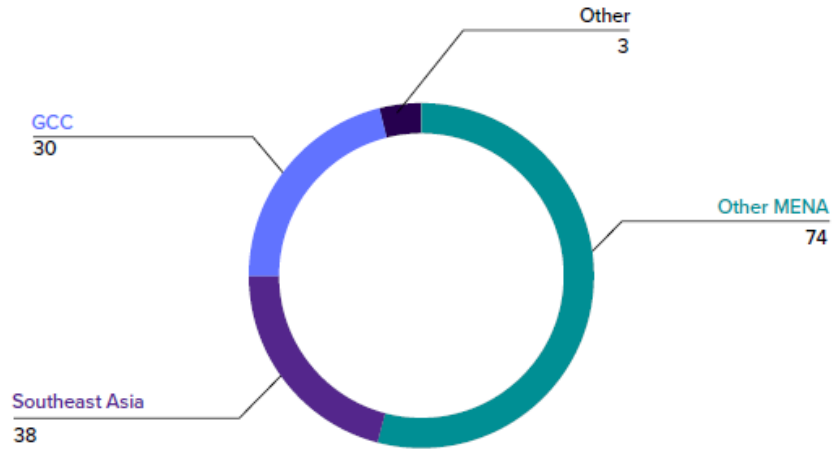
Top countries by takaful assets
(US$ billion, 2025)



Takaful assets growth
(US$ billion, 2019-2025)



Takaful assets by region
(US$ billion, 2025)



Islamic Finance Supporting Ecosystem

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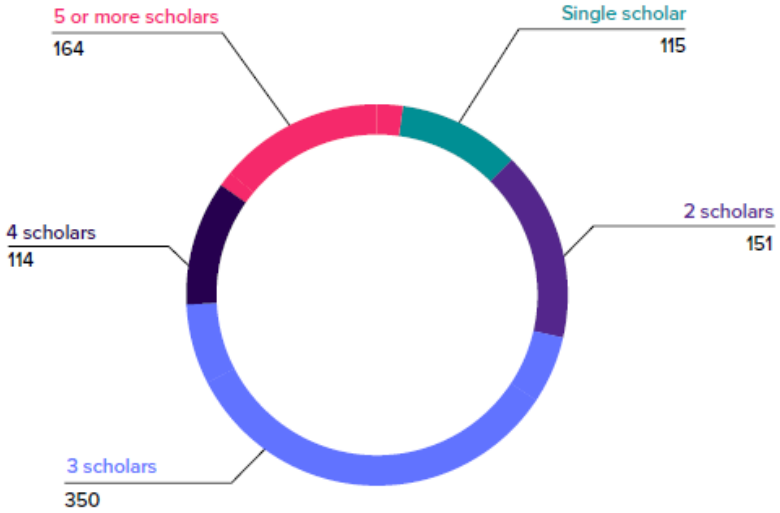
Governance

No. of countries with central Shariah board	No. of Shariah scholars with institutional representation	Share of scholars representing single FI	Average disclosure index by public Islamic banks
23	1,671	75%	72%

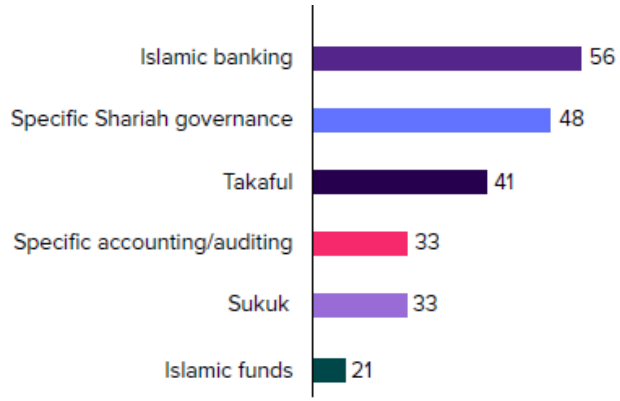
Top countries in governance metrics

Ranking	No. of scholars with ≥ 1 board membership		No. of institutions with ≥ 3 SSB members		Disclosure index for public Islamic banks	
	Country	Number of scholars	Country	Number of IFIs	Country	Disclosure index
1	Bangladesh	202	Bangladesh	56	Oman	98%
2	Indonesia	171	Saudi Arabia	55	Malaysia	96%
3	Malaysia	166	Malaysia	52	Bahrain	95%
4	Saudi Arabia	118	UAE	43	UAE	94%
5	Pakistan	114	Kuwait	36	Jordan	94%

Breakdown of IFIs by size of Shariah board (2025)



Number of countries by regulation type (2025)



Sustainability

Total value of ESG sukuk outstanding	Total value of ESG Islamic funds outstanding	Average sustainability disclosure index	No. of countries with sustainability guidelines	Total CSR funds disbursed
US$ 73.2bn	US$ 10.7bn	63%	60	US$ 1.79bn

Top countries in sustainability metrics

Ranking	CSR funds		Sustainability disclosure index		ESG sukuk		ESG Islamic funds	
	Country	Amount disbursed (US$ million)	Country	Score	Country	Value outstanding (US$ million)	Country	AuM outstanding (US$ million)
1	Saudi Arabia	1,110	Malaysia	96%	Saudi Arabia	20,016	US	8,677
2	Jordan	215	Oman	87%	UAE	17,980	Malaysia	1,377
3	Kuwait	183	Pakistan	87%	Malaysia	17,676	UK	393
4	UAE	79	UAE	83%	Indonesia	13,199	Saudi Arabia	142
5	Bahrain	64	Maldives	83%	Bahrain	900	Türkiye	54

Knowledge

No. of IF education providers	No. of IF degree providers	No. of IF research papers (2023-2025)	No. of IF journals
1,163	752	5,633	372

Top countries in knowledge metrics

Ranking	Education		Degree		Research Papers		Journals	
	Country	Number of IF education providers	Country	Number of IF degree providers	Country	Number of IF research papers produced	Country	Number of IF journals
1	Indonesia	536	Indonesia	433	Indonesia	4,538	Indonesia	324
2	Pakistan	134	Pakistan	33	Malaysia	303	Malaysia and Saudi Arabia	9
3	Saudi Arabia	60	Malaysia	31	Türkiye	182	Türkiye	8
4	Malaysia	47	Saudi Arabia	29	Iran	127	Iran and Pakistan	5
5	UAE	45	Türkiye	24	Pakistan	120	UK and US	3

Awareness

No. of IF person events	No. of IF virtual events	No. of IF news
851	151	15,009

Top countries in awareness metrics

Ranking	In-person events		Virtual events		News	
	Country	Number of In-person events	Country	Number of virtual events	Country	Number of news mentions
1	Pakistan	446	Kuwait	35	Saudi Arabia	3,557
2	Indonesia	116	Pakistan	29	Malaysia	2,063
3	Brunei	31	UAE	10	UAE	2,024
4	Türkiye	27	Indonesia	9	Bahrain	1,196
5	Malaysia	21	Saudi Arabia	8	Qatar	855

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Thank you

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